

California Department of Corrections Financial Information Memo

SUBJECT: ADVANCE PAYMENTS	FIM NUMBER: 2004-02
REFERENCES: AIM 99-04 Prepaid Expenses Government Code Section 11019	DATE: January 8, 2004

DISTRIBUTION

Wardens
Associate Wardens, Business Services
Parole Regional Administrators
Deputy Directors

PURPOSE

This Financial Information Memo identifies the California Department of Corrections' (CDC) policy for making payments in advance of receiving the respective goods or services.

BACKGROUND

Accounting Information Memo 99-04 provides instructions regarding Prepaid Expenses. Government Code Section 11019 allows advances under specific conditions for contracts with private, non-profit agencies only. Except for these instances, there are no provisions that allow advance payments on goods or services ordered. This applies to all vendors, including other State agencies. This does not apply to Department of General Services (DGS) Service Revolving Fund advances.

DISCUSSION

The CDC policy is that no advance payments for goods or services ordered are to be authorized or made unless specifically provided for in the Government Code or other pertinent regulations, as discussed above.

ACTION REQUIRED

Please advise all staff who are involved in purchasing from vendors and other State agencies (DGS, Prison Industries Authority, etc.) that the Department and its employees do not have the authority to request or approve advance payments except as described above.

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If you have further questions regarding this FIM, please contact William B. Dougherty, Chief, Accounting Management Branch at (916) 324-6525.

WENDY STILL

Deputy Director

Financial Services Division

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